This announcement contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical fact are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, some of which are beyond the Company's control, that may cause the actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Ocumension Therapeutics
歐康維視生物
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1477)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2022

The Board of Directors is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended June 30, 2022, together with the comparative figures for the corresponding period in 2021 as follows. These interim results have been reviewed by the Audit Committee and the Company's auditor, Deloitte Touche Tohmatsu.

In this announcement, "we", "us" and "our" refer to the Company and where the context otherwise requires, the Group. Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

BUSINESS HIGHLIGHTS

As of June 30, 2022, we had 24 drug assets in our portfolio. Having established a comprehensive ophthalmic drug pipeline covering all major front- and back-of-the-eye diseases, among which seven drug candidates have entered phase III clinical trial stage and ten drug products have been commercialized, positioned us well to achieve leadership in ophthalmology in China.

During the Reporting Period, the NDA for our Core Product, OT-401 (fluocinolone intravitreal implant, trade name: Youshiying®(優施瑩®), has been officially approved by the CDE for the treatment of chronic NIU-PS and commercialization in the PRC in June 2022. OT-401 is the first new drug in our pipeline approved for marketing in the PRC. The approval for commercialization signals Youshiying® will become a therapeutic drug leading in all aspects in the field of non-infectious uveitis treatment and thus fill the market gaps. The marketing approval for Youshiying® was issued based on real-world study data and corresponding overseas data, which marked a milestone achievement in the history of drug registration in China and also created a new path for NDA registrations for our other drug candidates.

During the Reporting Period, our Group has entered into a series of cooperation arrangements with Viatris China, pursuant to which our Group became the exclusive promoter to promote and market in hospitals nationwide in China three ophthalmic drugs of Viatris, namely Xalatan® (適利達®) (latanoprost eye drops), Xalacom® (適利加®) (latanoprost timolol eye drops) and AZEP® (愛塞平®) (azelastine hydrochloride eye drops), which has improved significantly our competitiveness on drug products in the fields of glaucoma, high intraocular pressure and anti-allergy.

During the Reporting Period, our sales of ophthalmic products were affected by the lockdown of certain areas in China due to the COVID-19 pandemic. However, with the acceleration of expansion to hospitals in regions not subject to the lockdown during the Reporting Period and the continuous increase in sales volume, we still achieved a revenue of RMB54.5 million, representing an increase of 162.1% as compared with the revenue generated for the corresponding period in 2021. According to our management account, our gross profit has covered the marketing and promotion expenses for the six months ended June 30, 2022.

FINANCIAL HIGHLIGHTS

The revenue of our Group increased from RMB20.8 million for the six months ended June 30, 2021 to RMB54.5 million for the six months ended June 30, 2022, representing an increase of 162.1% as compared with the revenue generated for the corresponding period in 2021. The increase was mainly attributed to (i) a steady increase in sales volume of ophthalmic products, namely Ou Qin® (歐沁®), brimonidine tartrate eye drop, Youshiying® and Kangshu® (康姝®), resulting from the smooth progression in our marketing and promotion of these products in hospitals in the PRC; (ii) an increased in-hospital marketing promotion income in relation to Xalatan® and Xalacom®; and (iii) an increase in sales-based royalty income in relation to Emadine® and Betoptic® S.

We recorded adjusted net loss of RMB76.9 million (non-IFRS adjustment) for the six months ended June 30, 2022, representing a decrease of RMB32.3 million from RMB109.2 million for the six months ended June 30, 2021, primarily attributable to (i) an increase in gross profit, mainly due to the increase in revenue generated from sales of ophthalmic products, pharmaceutical products promotion services and sales-based royalty income; and (ii) an increase in net foreign exchange gains, mainly due to effective implementation of our foreign currency risk management measures during the Reporting Period.

For the six months ended June 30, 2022, our adjusted R&D spending (non-IFRS adjustment) were RMB198.9 million, decreasing by 18.7% from RMB244.5 million for the six months ended June 30, 2021. The decrease was primarily because no significant upfront payment in relation to in-licensed product was capitalized during the Reporting Period, whereas during the six months ended June 30, 2021, we paid an upfront payment of US$10 million to Alimera pursuant to an exclusive license agreement dated April 13, 2021, which was further capitalized as the licensed product has met capitalization criteria. As of the date of this announcement, the R&D of our pipeline products has been progressing smoothly and steadily.

As of June 30, 2022, we had RMB1,574.9 million in bank balances and cash.

CORPORATE PROFILE

We are a China-based ophthalmic pharmaceutical platform company dedicated to identifying, developing and commercializing first- or best-in-class ophthalmic therapies. Our vision is to provide a world-class pharmaceutical total solution to address significant unmet ophthalmic medical needs in China. We believe our platform with clear first mover advantage positions us well to achieve leadership in ophthalmology in China.

As of June 30, 2022, we had 24 drug assets in our portfolio, and have established a comprehensive ophthalmic drug pipeline covering all major front- and back-of-the-eye diseases, among which our Core Product has been approved by the CDE for commercialization in the PRC in June 2022 and seven drug candidates have entered phase III clinical trial stage. The following table summarizes our product portfolio and the status of each asset as of June 30, 2022:

PIPELINE

Program	Mechanism of Action	Indication	Commercial Rights	BD Partners	Pre-IND / Phase I / II / Phase III / NDA / BLA
OT-401 (YUTIQ® and Youshiying®)	Fluocinolone intravitreal implant	Chronic NIU-PS[1]	Greater China, Korea and 11 countries in Southeast Asia	EyePoint Pharmaceuticals	China Approved; US approved (EyePoint)
OT-1004 (Emadine®)	Emedastine difumarate	Allergic conjunctivitis	Mainland China	Novartis	Commercialized
OT-305 (Betoptic® S)	Betaxolol hydrochloride	Glaucoma and ocular hypertension	Mainland China	Novartis	Commercialized
OT-306 (Xalatan®)	Latanoprost	Glaucoma and ocular hypertension	Mainland China	Viatris	Commercialized
OT-307 (Xalacom®)	Latanoprost and timolol maleate	Glaucoma and ocular hypertension	Mainland China	Viatris	Commercialized
OT-1005 (AZEP®)	Azelastine hydrochloride	Allergic conjunctivitis	Mainland China	Viatris	Commercialized
OT-204 (Ou Qin®)[2]	Sodium hyaluronate	Dry eye	Mainland China	Huonland	Commercialized
OT-303[3]	Brimonidine tartrate	Glaucoma and ocular hypertension	Mainland China	Huonland	Commercialized
OT-402 (Visudyne®)	Verteporfin	Choroidal neovascularization	Mainland China	Chepla Pharm	Commercial Rights
OT-601	Moxifloxacin	Bacterial conjunctivitis	Global		China Approved
OT-101	Low-concentration atropine	Myopia	Global		Global
OT-301 (NCX 470®)	NO-donating prostaglandin analog	Glaucoma and ocular hypertension	Greater China, Korea and 12 countries in Southeast Asia	nicox	Global
OT-1001 (ZERVIATE®)	Cetirizine hydrochloride	Allergic conjunctivitis	Greater China and 11 countries in Southeast Asia	nicox	China; US Approved (Nicox)
OT-702	Anti-VEGF	wAMD	China's mainland	Luye Pharma	China
OT-703	Fluocinolone intravitreal implant	DME	Greater China, Korea and 11 countries in Southeast Asia	Alimera Sciences	China; US Approved (Alimera)
OT-502 (DEXYCU®)	Dexamethasone	Postoperative inflammation	Greater China, Korea and 11 countries in Southeast Asia	EyePoint Pharmaceuticals	China; US Approved (EyePoint)
OT-202	Tyrosine kinase inhibitor	Dry eye	Global		China
OT-503 (NCX 4251®)	Fluticasone propionate nanocrystals	Blepharitis	Greater China	nicox	China[5]; Phase II USA completed (Nicox)
OT-701	Anti-VEGF	wAMD	Greater China	Senju	China; Phase III Japan completed (Senju and GTS)
OT-601-C	Moxifloxacin-dexamethasone sodium phosphate	Postoperative inflammation	Global		China[4]
OT-302	Acetazolamide	Acute glaucoma	Global		China[4]
OT-1301	Cyclosporine implant	Cornea graft rejection	Global		China[4]
OT-1601	Stem cells	Retinitis pigmentosa and dry AMD	Greater China	SanBio	China[4]
OT-1602	Stem cells	Optic neuritis	Greater China	SanBio	China[4]

1. Non-infectious uveitis affecting the posterior segment of the eye
2. We acquired Ou Qin® from Huonland and are entitled to all drug registration certificates and data related to Ou Qin®. We plan to register ourselves as the MAH of Ou Qin®.
3. We are the exclusive sales agent of Brimonidine Tartrate Eye Drops in Mainland China. Huonland is the drug registrant and registered manufacturer of Brimonidine Tartrate Eye Drops.
4. May not require Phase I and Phase II clinical trials prior to beginning Phase III clinical trials.
5. May not require Phase I clinical trials prior to beginning Phase II clinical trials.

In-licensed/acquired Internally developed

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Overall Financial Performance

During the Reporting Period, we achieved a revenue of RMB54.5 million, representing an increase of 162.1% as compared with the revenue generated for the corresponding period in 2021. For the six months ended June 30, 2022, our adjusted R&D spending (non-IFRS adjustment) was RMB198.9 million, decreased by 18.7% as compared with such for the six months ended June 30, 2021, and our R&D expenses (IFRS) amounted to RMB98.4 million, increased by 6.7% as compared with such for the six months ended June 30, 2021. As of June 30, 2022, our cash and cash equivalents amounted to RMB1,574.9 million.

Research and Development Performance

During the Reporting Period, the NDA for our Core Product, OT-401 (fluocinolone intravitreal implant, trade name: Youshiying®), has been officially approved by the CDE for the treatment of chronic NIU-PS and commercialization in the PRC in June 2022. OT-401 is the first new drug in our pipeline approved for marketing in the PRC. The marketing approval signals the potential of Youshiying® to become a therapeutic drug leading in all aspects in the field of non-infectious uveitis treatment and thus fill the market gaps. The approval for marketing of Youshiying® was based on real-world study data and corresponding overseas data, which marked a milestone achievement in the history of drug registration in China and also created a new path for NDA registrations for our other drug candidates.

During the Reporting Period, we also accelerated the development for our in-house product pipeline. Our "in-licensing plus in-house R&D" model has formulated a comprehensive system, which is expected to bring momentum to our subsequent product pipeline. The global phase III multi-center clinical trial of the OT-101 (low-concentration atropine), an in-house developed key product for the treatment of progression myopia, has started enrolling patients for its phase III clinical trial in China during the Reporting Period, and the process of patient enrollment is expected to accelerate during the second half of 2022. The OT-202 (tyrosine kinase inhibitor), a class I new drug self-developed by us for the treatment of dry eye, has completed the patient enrollment and drug administration for the phase I clinical trial, in which all subjects were in good health condition.

Progress of Our Key Drug Candidates

- Youshiying® (OT-401, fluocinolone intravitreal implant)

  In June 2022, the NDA for OT-401 was officially approved by the CDE for the treatment of chronic NIU-PS and commercialization in the PRC. We have established an excellent commercialization team with a nationwide coverage in the PRC. We expect that the commercialization of Youshiying® will be officially launched in the second half of 2022.

- OT-101 (0.01% atropine sulfate eye drop)

  During the Reporting Period, we continued to advance the patient enrollment for the phase III international MRCT of OT-101. We expect the enrollment of all patients will be completed in early 2023.

- OT-1001 (ZERVIATE®, 0.24% cetirizine eye drop)

  In March 2022, the phase III clinical trial of OT-1001, a potent and highly selective histamine-1 receptor antagonist with anti-allergic properties, has achieved its primary clinical endpoint and received positive results. The phase III clinical trial of OT-1001 was designed as a randomized, observer-masked, positive control, multi-center parallel clinical trial to evaluate the safety and efficacy of the cetirizine hydrochloride ophthalmic solution of 0.24% concentration in comparison with emedastine difumarate ophthalmic solution of 0.05% concentration for Chinese patients with allergic conjunctivitis. A total of 296 patients were randomized across multiple clinical sites in China. OT-1001 was found to be non-inferior to emedastine difumarate in the primary efficacy endpoint of change from baseline in the itching score in the 24 hours prior to the Day 14 visit. OT-1001 is safe and well tolerated with no difference in the proportion of patients with adverse events compared to emedastine difumarate.

  We expect to continue data collation and preparation of NDA documents, which is expected to be completed in the second half of 2022.

- OT-502 (dexamethasone implant)

  During the Reporting Period, we continued carrying on the real-world study and phase III clinical trial for OT-502. We completed the enrollment of 38 patients for the real-world study for the efficacy and safety analysis of 9% dexamethasone implant on the treatment of postoperative inflammation of cataract. During the Reporting Period, a number of research centers for the phase III clinical trials have been put into operation. We expect to complete the enrollment of the first patient for the phase III clinical trial of OT-502 in China in the third quarter of 2022.

- OT-202 (tyrosine kinase inhibitor)

  In January 2022, the first patient for the phase I clinical trial of OT-202, a new drug for the treatment of dry eye, was enrolled at the Affiliated Eye Hospital of Wenzhou Medical University (溫州醫科大學附屬眼視光醫院). In June 2022, OT-202 has completed the patient enrollment and drug administration for the phase I clinical trial, in which all subjects were in good health condition. We expect to obtain the clinical study report (CSR) for the phase I clinical trial of OT-202 in the fourth quarter of 2022, and will subsequently proceed with the phase II clinical trial.

- OT-702 (aflibercept biosimilar)

  During the Reporting Period, OT-702, a recombinant human vascular endothelial growth factor receptor antibody fusion protein ophthalmic injection, has completed the enrollment of 262 patients for its phase III clinical trial. We expect to complete the patient enrollment for the phase III clinical trial of OT-702 in China by the end of 2022.

- OT-703 (ILUVIEN®, fluocinolone intravitreal implant)

  In June 2022, the IND application for OT-703, an injectable, non-biodegradable fluocinolone acetate intravitreal implant for the treatment of DME, was approved by the CDE to conduct a randomized, double-blind, parallel-controlled, multi-center phase III clinical trial on the treatment of DME in China. It was the seventh new drug in our product pipeline that has been approved for phase III clinical trial, which demonstrated our significant layout in the field of drugs for the treatment of DME.

  DME is one of the common complications of diabetes and the main cause of blindness in diabetic patients, which seriously affects the visual function and quality of life of patients and brings a heavy financial burden to the whole society in relation to the healthcare sector. Therefore, it is of great social significance to seek effective intervention methods for the prevention and control of curable blindness. Despite the continuing development of R&D of anti-vascular endothelial growth factor (VEGF) drugs and the furtherance in the progression of clinical diagnosis and treatment technology have significantly improved the visual prognosis of patients in recent years, there are still a considerable number of patients who are unresponsive to anti-VEGF drugs, resulting in current unsatisfied demands in the domestic market in such sector. In consideration of the above, we have actively communicated with Hainan Medical Products Administration to advance the registration and application of the real-world study for OT-703.

  We expect to continue to conduct the phase III clinical trial and real-world study for OT-703 in the second half of 2022.

WARNING UNDER RULE 18A.08(3) OF THE LISTING RULES: WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND/OR MARKET OUR CORE PRODUCT AND/OR DRUG CANDIDATES SUCCESSFULLY.

Commercialization Performance

During the Reporting Period, our sales of ophthalmic products were affected by the lockdown of certain areas in China due to the COVID-19 pandemic. However, with the acceleration of expansion to hospitals in regions not subject to the lockdown during the Reporting Period and the continuous increase in sales volume, we still achieved a revenue of RMB54.5 million for the six months ended June 30, 2022, representing an increase of 162.1% as compared with the revenue generated for the corresponding period in 2021. According to our management account, our gross profit has covered the marketing and promotion expenses for the six months ended June 30, 2022.

During the Reporting Period, our Group has entered into a series of cooperation arrangements with Viatris China, pursuant to which our Group became the exclusive promoter to promote and market in hospitals nationwide in China three ophthalmic drugs of Viatris, namely Xalatan® (latanoprost eye drops), Xalacom® (latanoprost timolol eye drops) and AZEP® (azelastine hydrochloride eye drops). With our pipeline product, Kangwenjuan® (康文涓®) (OT-601, moxifloxacin hydrochloride eye drops), obtained the product registration certificate in June 2022, more than ten pipeline products of our Company have been commercialized, which has strengthened our ophthalmic drug pipeline in the key field of ocular surface, and also achieved a product matrix with full coverage of first- and second-line drugs in the key fields such as anti-allergy and glaucoma, laying a solid foundation for further market development and expansion in these key fields.

We have planned thorough pre-marketing academic promotion activities for the commercialization of our Core Product, Youshiying®. Through academic idea exchange and case sharing as a part of the activities, we have developed the concept of local long-term inflammation management. We also engaged in all-around cooperation with commercial insurance companies to provide options to uveitis patients in order to alleviate their payment pressure and financial burden, thus to ensure the efficacy of the drug product by continuous dosing.

Manufacturing Performance

During the Reporting Period, we continued to conduct equipment testing, process validation and trial production of Emadine®, Ou Qin® and our other drugs at our Suzhou Xiaxiang manufacture site.

Impact of COVID-19

We do not expect that the outbreak of COVID-19 since December 2019 will have long-term material and adverse impact on our clinical trials or overall clinical development plans, operations and financial condition. During the Reporting Period, with effective quarantine measures taken by the Chinese government to reduce confirmed COVID-19 cases in China, as well as the various precautionary measures implemented by us to adjust our employees' work arrangements in accordance with the relevant regulations and policies, we were able to maintain a sufficient number of personnel to continue working on-site or off-site to ensure minimum disruption to our business operation and R&D activities. While the sporadic outbreak of COVID-19 in China and the lockdown in Shanghai from March 2022 to May 2022 has affected and restricted the general level of our economic activities, such economic activities have resumed since June 2022.

Going forward, the pandemic of COVID-19 may have potential impacts on our business, including but not limited to the sales of our products, hiring of staff, involvement of our staff and patients in clinical trials, production of our drugs, obtaining approvals from regulatory authorities and procurement of raw materials. We will continue to closely monitor the trend of the spread of COVID-19 and make all necessary preparations in advance.

Future Development and Outlook

The approval of the NDA for our Core Product, OT-401 (fluocinolone intravitreal implant, trade name: Youshiying®), and its commercialization in the PRC by the CDE symbolized that, starting from ground zero, Ocumension has completed the last step of transformation from a bio-tech company to a biopharmaceutical company. Our future focus and direction of development will also shift from expansion of functionality to improvement of quality. Ocumension has proven that it was the leader in the R&D of ophthalmic drugs in China, with the commercialization of the Core Product, it will continue moving forward on the path to become a fully integrated leader in the ophthalmic drug industry in China. To achieve such goals, in the second half of 2022, we will endeavor to:

1) facilitate the successful marketing and promotion of our Core Product, Youshiying®;

2) continue to speed up the pace in advancing the R&D of our pipeline products, especially with respect to the progress of clinical trials for our drug candidates entered phase III clinical trial stage;

3) ensure OT-202, our self-developed class I new drug, to enter phase II clinical trial stage smoothly;

4) expand the market coverage and sales scale of our products which have been commercialized to further increase our influence in the ophthalmic drug market in China;

5) streamline the operation of business to further optimize the financial position of the Group; and

6) commence full production at Suzhou Xiaxiang manufacture site, our modern ophthalmic production base.

Financial Review

Revenue

For the six months ended June 30, 2022, we generated revenue of RMB54.5 million from (i) sales of ophthalmic products, including Ou Qin®, brimonidine tartrate eye drop, Youshiying® and Kangshu®; (ii) pharmaceutical products promotion services in relation to Xalatan® and Xalacom®, among others; and (iii) sales based royalty income in relation to Emadine® and Betoptic® S. The following table sets forth the components of the revenue for the periods indicated:

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Sales of ophthalmic products	**28,219**	20,286
Pharmaceutical products promotion services	**8,608**	517
Sales-based royalty income	**17,708**	–
Total Revenue	**54,535**	20,803

The increase in our revenue was primarily attributable to (i) an increase of 39.1% in the sales of ophthalmic pharmaceutical products from RMB20.3 million for the six months ended June 30, 2021 to RMB28.2 million for the six months ended June 30, 2022; (ii) a significant increase in the revenue generated from the provision of pharmaceutical products promotion services from RMB0.5 million for the six months ended June 30, 2021 to RMB8.6 million for the six months ended June 30, 2022, mainly consists of the in-hospital marketing promotion income in relation to Xalatan® and Xalacom®; and (iii) the revenue generated from the sales-based royalty income of RMB17.7 million in relation to licensing ophthalmic pharmaceutical products to a third party for the six months ended June 30, 2022 (June 30, 2021: nil).

For sales of ophthalmic pharmaceutical and other related products to customers, revenue is recognized at a point in time when control of the pharmaceutical and other related products is passed to customers, i.e. when these products are delivered and titles have passed to customers upon receipt by customers. For promotion services, revenue is recognized at a point in time when we satisfy our obligation to arrange for sales and delivery of the pharmaceutical products. The sales-based royalty income is based on the profit margin of each sale and is recognized at a point in time when the customer completes its sales.

Cost of Sales

Our cost of sales consists of purchase price of goods and amortization of licence rights. For the six months ended June 30, 2022, we recorded cost of sales of RMB20.2 million attributable to the sales of Ou Qin®, brimonidine tartrate eye drop, Youshiying® and Kangshu® and amortization of license rights, representing an increase of RMB15.1 million from RMB5.1 million for the six months ended June 30, 2021. The increase was mainly attributed to the increased sales volume of Ou Qin® and the amortization of license rights.

Gross Profit

The gross profit of our Group increased by 118.7% from RMB15.7 million for the six months ended June 30, 2021 to RMB34.3 million for the six months ended June 30, 2022. The increase in the gross profit was mainly in line with the growth in revenue.

Other Income

Our other income mainly consists of bank interest income arising from our bank deposit and government grant income. For the six months ended June 30, 2022, our other income was RMB15.2 million, representing an increase of RMB2.6 million from RMB12.6 million for the six months ended June 30, 2021. The increase was primarily attributable to the increase in (i) our bank interest income; and (ii) the government grant, including unconditional subsidies specifically for innovation and development support from the PRC government.

Other Gains and Losses

For the six months ended June 30, 2022, our other gains and losses mainly consist of (i) net foreign exchange gains of RMB11.7 million, as compared with net foreign exchange losses of RMB10.6 million for the six months ended June 30, 2021, which is primarily due to the effective implementation of our foreign currency risk management measures during the Reporting Period; and (ii) the gain of RMB0.3 million from changes in fair value of other financial assets as compared with gain of RMB6.6 million from changes in fair value of other financial assets for the six months ended June 30, 2021, which was primarily due to the adjustment of the allocation of our cash to term deposits other than other financial assets.

Selling and Marketing Expenses

Our selling and marketing expenses mainly consist of (i) salary and benefits expenses for our commercialization team; (ii) share-based payments for our commercialization team; and (iii) marketing and promotion expenses. For the six months ended June 30, 2022, our selling and marketing expenses were RMB78.7 million, representing an increase of RMB33.6 million from RMB45.1 million for the six months ended June 30, 2021, which was primarily due to (i) the expansion of our commercialization team; and (ii) the amortization of the share-based payments in relation to the grant of options under the 2021 Share Option Scheme and the grant of awards under the 2021 Share Award Scheme to our staff in commercialization team.

The following table sets forth the components of our selling and marketing expenses for the periods indicated:

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Salary and benefits	**34,665**	27,272
Share-based payments	**33,402**	5,904
Marketing and promotion	**5,833**	7,238
Others	**4,796**	4,697
Total selling and marketing expenses	**78,696**	45,111

R&D Expenses and Adjusted R&D Spending

Our adjusted R&D spending for the six months ended June 30, 2022 was RMB198.9 million, representing a decrease of 18.7% from RMB244.5 million for the six months ended June 30, 2021. The decrease was primarily due to the decrease in capitalized R&D spending, because no significant upfront payment in relation to in-license product has been capitalized during the Reporting Period, as compared with the six months ended June 30, 2021, when we have paid an upfront payment of US$10 million to Alimera pursuant to an exclusive license agreement dated April 13, 2021, which was further capitalized as the licensed product has met capitalization criteria. We capitalized certain R&D spending during the Reporting Period as the relevant drug candidates have met capitalization criteria in accordance with accounting standards, further details of which are set out in the subsection headed "Non-IFRS Measures" in this sub-section.

The following table sets forth the components of our R&D expenses and adjusted R&D spending for the periods indicated:

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Third-party contracting costs	**21,195**	41,565
Staff costs	**73,608**	47,605
Depreciation and amortization	**890**	890
Others	**2,746**	2,184
Total R&D expenses	**98,439**	92,244
Add:		
Capitalized R&D spending	**100,461**	152,297
Adjusted R&D spending for the period	**198,900**	244,541

Administrative Expenses

Our administrative expenses consist of (i) salaries and other expenses such as benefits, travel and share-based payments; (ii) professional service fee; and (iii) operational costs incurred for the trial production at our Suzhou Xiaxiang manufacture site.

For the six months ended June 30, 2022, our administrative expenses were RMB75.4 million, representing an increase of RMB17.3 million from RMB58.1 million for the six months ended June 30, 2021, which was primarily due to an increase in staff costs incurred by the amortization of the share-based payments in relation to the grant of options under the 2021 Share Option Scheme and the grant of awards under the 2021 Share Award Scheme to our administrative staff.

Income Tax Expenses

Our income tax expense for the six months ended June 30, 2022 was RMB0.4 million (June 30, 2021: nil), which mainly represented the withholding tax relating to the sublicense income generated from Taiwan market.

Loss for the Period

As a result of the above factors, for the six months ended June 30, 2022, our loss was RMB192.7 million, representing an increase of RMB123.1 million from RMB69.6 million for the six months ended June 30, 2021, mainly because no one-time gain was generated from transaction with third parties during the Reporting Period, as compared with a one-time gain of RMB100.6 million and RMB14.5 million generated from the respective transactions with EyePoint and Alimera for the six months ended June 30, 2021.

Non-IFRS Measures

To supplement our condensed consolidated financial statements which are presented in accordance with IFRS, we also use non-IFRS measures to present our operating performance, which include (i) adjusted net loss; and (ii) adjusted R&D spending for the period.

Adjusted net loss for the period, as an additional financial measure, is not required by or presented in accordance with IFRS. We believe that such non-IFRS measure facilitates comparisons of our operating performance from period to period by eliminating impacts of non-cash items that our management considers to be not indicative of our operating performance, and provides useful information to Shareholders and investors to evaluate our operating results in the same manner as our management does. However, our presentation of the adjusted net loss for the period may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation, or as substitute for analysis of, our results of operations or financial position as reported under IFRS. We define adjusted net loss for the period as loss for the period adjusted by (a) adding back share-based payments; and (b) deducting one-time gain generated from the respective transaction with EyePoint and Alimera. The following table reconciles our non-IFRS adjusted net loss for the period with our loss for the period, which is the most directly comparable financial measure calculated with IFRS financial results:

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(192,669)**	(69,609)
Add:		
Gains related to transaction with EyePoint	**–**	(100,621)
Gains related to transaction with Alimera	**–**	(14,534)
Share-based payments	**115,819**	75,579
Non-IFRS adjusted net loss for the period	**(76,850)**	(109,185)

Adjusted R&D spending for the period, as an additional financial measure, is not required by or presented in accordance with IFRS. Our adjusted R&D spending for the six months ended June 30, 2022 was RMB198.9 million, which was calculated by adding back the capitalized spending to the R&D expenses under IFRS measures. During the Reporting Period, we recorded an R&D expenses of RMB98.4 million, representing an increase of 6.7% from RMB92.2 million for the six months ended June 30, 2021, which was primarily due to the increase in staff costs attributable to (i) the expansion of our R&D team; and (ii) the amortization of the share-based payments in relation to the grant of options under the 2021 Share Option Scheme and the grant of awards under the 2021 Share Award Scheme to our R&D staff. For the same period, we recorded capitalized R&D spending of RMB100.5 million as a result of the relevant drug candidates having met the capitalization criteria in accordance with relevant accounting standards for the period, representing a decrease of 34.0% from RMB152.3 million for the six months ended June 30, 2021. Our capitalized R&D spending decreased as compared with the six months ended June 30, 2021 was because no significant upfront payment in relation to in-licensed product was capitalized during the Reporting Period, while during the six months ended June 30, 2021, we paid an upfront payment of US$10 million to Alimera pursuant to an exclusive license agreement dated April 13, 2021, which was further capitalized as the licensed product has met capitalization criteria. The following table reconciles our non-IFRS adjusted R&D spending for the period, which is the most directly comparable financial measure to reflect our actual spending on R&D for the Reporting Period:

	Six months ended June 30,	
	2022	2021
	RMB' 000	*RMB'000*
	(Unaudited)	(Unaudited)
Total R&D expenses for the period	**98,439**	92,244
Add:		
Capitalized R&D spending	**100,461**	152,297
Adjusted R&D spending for the period	**198,900**	244,541

Selected Data from Condensed Consolidated Statement of Financial Position

Selected data from Condensed Consolidated Statement of Financial Position	**As of June 30, 2022** ***RMB'000*** **(Unaudited)**	As of December 31, 2021 *RMB'000* (Audited)
Total current assets	**1,697,455**	1,834,567
Total non-current assets	**1,570,027**	1,496,486
Total assets	**3,267,482**	3,331,053
Total current liabilities	**259,385**	215,854
Total non-current liabilities	**55,259**	7,026
Total liabilities	**314,644**	222,880
Net assets	**2,952,838**	3,108,173

Trade Receivables

We allow an average credit period of 30 to 60 days to its trade customers.

A majority of the trade receivables aged less than 90 days.

Trade Payable

A majority of the trade payables aged less than one year.

Working Capital and Source of Capital

Our primary uses of cash related to (i) R&D expenses in relation to the clinical trials for our drug candidates; (ii) final payments in relation to the construction project and production equipment at our Suzhou Xiaxiang manufacture site, as well as operational costs and fees incurred for the on-site trial production; and (iii) expenses and costs for our daily operation and commercial promotion activities. We primarily funded our working capital needs through equity financing and cash generated from (i) the sales of Ou Qin®, brimonidine tartrate eye drop, Youshiying® and Kangshu® and (ii) the sales-based royalty income in relation to Emadine® and Betoptic® S. We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. As of June 30, 2022, our cash and cash equivalents amounted to RMB1,572.3 million (as of December 31, 2021: RMB1,125.2 million). Currently, we follow a set of funding and treasury policies to manage our capital resources and mitigate potential risks involved.

Borrowings

As of June 30, 2022, we did not have any borrowings (as of December 31, 2021: nil).

Capital Commitment

As of June 30, 2022, we have capital commitment of RMB25.6 million for the contracts in relation to acquisition of property, plant and equipment (as of December 31, 2021: RMB27.9 million).

Contingent Liabilities

As of June 30, 2022, we did not have any material contingent liabilities, guarantees or any litigation against us (as of December 31, 2021: nil).

Pledge of Assets

As of June 30, 2022, we pledged RMB2.6 million deposits to a bank to secure the letter of credit granted to the Group (as of December 31, 2021: RMB20.0 million).

Gearing Ratio

Gearing ratio is calculated using interest-bearing borrowings less cash and cash equivalents and term deposits with initial term of over three months, divided by total equity and multiplied by 100%. As of June 30, 2022, we were in a net cash position and thus, gearing ratio is not applicable.

Material Investments, Acquisitions and Disposals

The Company did not have any other material investments, acquisitions or disposals during the six months ended June 30, 2022. The Company did not have any future plans for material investments or capital assets as of June 30, 2022.

Foreign Exchange

Foreign currency risk refers to the risk of loss resulting from changes in foreign currency exchange rates. Certain of our term deposits, bank balances and cash, other financial assets, trade and other receivables and trade and other payables are denominated in foreign currencies, and are exposed to foreign currency risk. Our Group currently implements foreign currency hedging measures under our funding and treasury policies. In addition, we will continue to manage the foreign exchange risk by closely monitoring our foreign exchange exposure and will consider implementing more detailed measures to hedge against significant foreign currency exposure and thus to prevent significant net foreign exchange losses in the future.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2022

		Six months ended June 30,	
		2022	2021
	NOTES	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Revenue	*3*	**54,535**	20,803
Cost of sales		**(20,231)**	(5,116)
Gross profit		**34,304**	15,687
Other income	*4*	**15,182**	12,626
Other gains and losses	*4*	**12,004**	111,177
Impairment losses under expected credit loss ("ECL") model, net of reversal		**(283)**	–
Selling and marketing expenses		**(78,696)**	(45,111)
Research and development ("R&D") expenses		**(98,439)**	(92,244)
Administrative expenses		**(75,398)**	(58,058)
Share of results of an associate		**–**	(13,331)
Finance costs		**(981)**	(355)
Loss before tax		**(192,307)**	(69,609)
Income tax expense	*5*	**(362)**	–
Loss for the period		**(192,669)**	(69,609)
Other comprehensive expense:			
Item that will not be reclassified to profit or loss:			
Fair value loss on investments in equity instruments at fair value through other comprehensive income ("FVTOCI")		**(71,346)**	(29,569)
		(71,346)	(29,569)
Total comprehensive expense for the period		**(264,015)**	(99,178)
Loss per share			
– Basic and diluted (RMB)	*7*	**(0.31)**	(0.12)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT JUNE 30, 2022

	NOTES	**At June 30, 2022** ***RMB'000*** **(unaudited)**	At December 31, 2021 *RMB'000* (audited)
Non-current assets			
Property, plant and equipment		**391,134**	346,411
Right-of-use assets		**44,805**	19,451
Intangible assets		**802,513**	709,973
Equity instruments at FVTOCI		**201,055**	272,401
Deposits and prepayments		**106,151**	148,250
Other asset – non-current		**24,369**	–
		1,570,027	1,496,486
Current assets			
Inventories		**23,822**	4,993
Trade and other receivables	*8*	**87,032**	44,353
Contract assets		**7,775**	–
Other asset – current		**3,933**	–
Bank balances and cash	*9*	**1,574,893**	1,785,221
		1,697,455	1,834,567
Current liabilities			
Trade and other payables	*10*	**244,040**	211,668
Lease liabilities		**15,345**	4,186
		259,385	215,854
Net current assets		**1,438,070**	1,618,713
Total assets less current liabilities		**3,008,097**	3,115,199
Non-current liabilities			
Contract liabilities		**30,090**	–
Lease liabilities		**25,169**	7,026
		55,259	7,026
Net assets		**2,952,838**	3,108,173
Capital and reserves			
Share capital		**46**	46
Reserves		**2,952,792**	3,108,127
Total equity		**2,952,838**	3,108,173

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("IASB") as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2022 are the same as those presented in the Group's annual financial statements for the year ended December 31, 2021.

Application of amendments to International Financial Reporting Standards ("IFRSs")

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the annual periods beginning on January 1, 2022 for the preparation of the Group's condensed consolidated financial statements:

Amendment to IFRS 3	Reference to the Conceptual Framework
Amendment to IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to IAS 16	Property, Plant and Equipment-Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IFRSs	Annual Improvements to IFRSs 2018-2020

The application of the amendments to IFRSs in the current interim period has had no material impact on the Group's financial position and performance for the current and prior periods and/or on disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Types of goods or service		
At a point in time		
Sales of ophthalmic products	**28,219**	20,286
Pharmaceutical products promotion services	**8,608**	517
Sales-based royalty income	**17,708**	–
	54,535	20,803

For the sale of ophthalmic products, revenue is recognized when control of the goods has transferred, being when the goods have been delivered to the customer's specific location, i.e. when the products are delivered and titles have passed to customers upon receipt by customer. Following delivery, the customer has the primary responsibility when selling the goods and bears the risk of obsolescence and loss in relation to the goods.

For pharmaceutical products promotion services, the Group is an agent under the pharmaceutical products promotion services contracts as its performance obligation is to arrange for sales and delivery of pharmaceutical products supplied by another parties. In this regard, the Group does not control the products provided by another parties before those goods sold and delivered to customers. Accordingly, revenue is recognized at a point in time when the Group satisfies its obligation to arrange for sales and delivery of pharmaceutical products pursuant to the service contracts.

The Group grants its license right to a customer for product sales in exchange for sales-based royalty income. The income is based on the profit margin of each sale and is recognised at a point of time upon the customer completes its sales.

Segment information

The Group's chief operating decision maker ("CODM"), being the executive directors of the Company, regularly reviews revenue by products; however, no other discrete information was provided. In addition, the CODM reviewed the consolidated results when making decisions about allocating resources and assessing performance as a whole. Hence, no further segment information other than entity wide information was presented.

No analysis of the Group's assets and liabilities by operating segments is disclosed as it is not regularly provided to the CODM for review.

All revenue from external customers is attributed to the Group and all non-current assets excluding the financial instruments of the Group are located in the PRC.

4. OTHER INCOME AND OTHER GAINS AND LOSSES

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Other income		
Bank interest income	**14,075**	12,303
Government grant income *(note a)*	**851**	2
Others	**256**	321
	15,182	12,626
Other gains and losses		
Net foreign exchange gains (losses)	**11,748**	(10,620)
Gain from changes in fair value of other financial assets	**256**	6,642
Other gains related to EyePoint *(note b)*	**–**	100,621
Gain on acquisition of an equity instrument at FVTOCI *(note c)*	**–**	14,534
	12,004	111,177

Notes:

(a) Government grants include unconditional subsidies from the PRC government which are specifically for innovation and development support.

(b) The other gains related to EyePoint are summarized as follows:

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Gain on acquisition of an associate *(note i)*	**–**	25,941
Gain on dilution on shares of an associate *(note ii)*	**–**	29,440
Gain on deemed disposal of an associate *(note iii)*	**–**	45,240
	–	100,621

i) The gain on acquisition of an associate represented the gain resulting from the acquisition on the shares of EyePoint, which was the differences between the acquisition date market quoted prices and the agreed subscription prices of shares.

ii) The gain on dilution on shares of an associate represented the gain as a result of the share allotment and issue of new shares by EyePoint, which decreased the proportionate ownership interests held by the Group.

iii) The gain on deemed disposal of an associate represented the gain as a result of the loss of significant influence over EyePoint, which was the difference between the carrying amount of the associate and the fair value of the retained interest in EyePoint.

(c) The gain on acquisition of an equity instrument at FVTOCI represented the gain resulting from the acquisition on the shares of Alimera, which was the differences between the acquisition date market quoted prices and the agreed subscription prices of shares.

5. INCOME TAX EXPENSE

The income tax expense for the current period represents the withholding tax relating to the sublicense income generated from Taiwan market included in contract liabilities. No income tax expense has been incurred by the Group during the six months ended June 30, 2022 and 2021 as there was no assessable profits derived from or earned for any of the periods presented.

6. DIVIDENDS

No dividends were paid, declared or proposed during the six months ended June 30, 2022. The directors of the Company have determined that no dividend will be paid in respect of the six months ended June 30, 2022.

7. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Six months ended June 30,	
	2022	2021
	(unaudited)	(unaudited)
Loss		
Loss for the period attributable to the owners of the Company for the purposes of basic and diluted loss per share (RMB'000)	**(192,669)**	(69,609)
Number of shares		
Weighted average number of ordinary shares of basic and diluted loss per share calculation	**627,169,155**	595,869,053

The computation of basic and diluted loss per share for the reporting period excluded the unvested restricted ordinary shares of the Company, the shares held by Coral Incentivization for unexercised RSUs and the shares held by Computershare Hong Kong Trustees Limited for unvested share awards.

The computation of diluted loss per share for the six months ended June 30, 2022 and 2021 did not assume the exercise of share options and RSUs, the vesting of restricted ordinary shares and share awards, and the exercise of warrants since their assumed exercise or vesting would result in a decrease in loss per share.

8. TRADE RECEIVABLES

The Group allows an average credit period of 30 to 90 days to its trade customers.

The following is an analysis of trade receivables by age, presented based on the invoice date at the end of the reporting period.

	At June 30,	At December 31,
	2022	2021
	RMB'000	*RMB'000*
	(unaudited)	(audited)
0 – 90 days	**54,286**	18,231
91 – 180 days	**484**	278
	54,770	18,509

9. BANK BALANCES AND CASH

	At June 30, 2022 ***RMB'000*** **(unaudited)**	At December 31, 2021 *RMB'000* (audited)
Cash at bank	**633,685**	815,221
Term deposits	**941,208**	970,000
	1,574,893	1,785,221
Analysed as:		
Cash and cash equivalents	**1,572,293**	1,125,221
Term deposit with original maturity date between three months to one year	**–**	640,000
Pledged bank deposits	**2,600**	20,000
	1,574,893	1,785,221

10. TRADE PAYABLES

The average credit period on purchases of goods and services of the Group is within 30 days. Aging analysis of the Group's trade payables based on the invoice dates as at the end of the reporting period is as follows:

	At June 30, 2022 ***RMB'000*** **(unaudited)**	At December 31, 2021 *RMB'000* (audited)
0 – 30 days	**7,587**	4,407
Over 30 days	**731**	–
	8,318	4,407

OTHER INFORMATION

Events after the Reporting Period

Save as disclosed, there was no event which has occurred after June 30, 2022 that would cause material impact on the Group.

Interim Dividend

The Board does not recommend the distribution of an interim dividend for the six months ended June 30, 2022 (June 30, 2021: nil).

Compliance with the Corporate Governance Code

The Company is committed to maintaining high standard of corporate governance to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the code provisions of the CG Code as its own code of corporate governance. The CG Code has been applicable to the Company with effect from the date of Listing.

The Board is of the view that the Company has complied with all applicable code provisions of the CG Code during the six months ended June 30, 2022. The Board will review the corporate governance structure and practices from time to time and shall make necessary arrangements when the Board considers appropriate.

Compliance with the Model Code for Securities Transactions

The Company has adopted the Written Guidelines on no less exacting terms than the Model Code as its own code of conduct regarding securities transactions by the Directors.

Having made specific enquiries of all Directors, all of them have confirmed that they have complied with the Model Code and the Written Guidelines during the six months ended June 30, 2022. No incident of non-compliance of the Written Guidelines by the employees who are likely to be in possession of inside information of the Group was noted by the Company.

Use of Proceeds from Listing and Placing

Use of Proceeds from the Listing

The Company was listed on the Main Board of the Stock Exchange on July 10, 2020. The total net proceeds raised from the issue of new Shares by the Company in its Listing and the full exercise of over-allotment option (after deducting the underwriting fees and related Listing expenses) amounted to approximately HK$1,646.41 million. The intended use of the net proceeds and the change in the intended use of the net proceeds were set out in the prospectus issued by the Company dated June 29, 2020 and the announcement of the Company dated September 11, 2020, respectively. As of June 30, 2022, such net proceeds from Listing were utilized as follows in accordance with the intended use:

Use of proceeds from Listing	Amount of net proceeds for planned applications *(HK$ million)*	Percentage of total net proceeds *(%)*	Unutilized net proceeds as of December 31, 2021 *(HK$ million)*	Utilized net proceeds as of June 30, 2022 *(HK$ million)*	Unutilized net proceeds as of June 30, 2022 *(HK$ million)*	Expected time frame for unutilized amount
For the Core Product						
1. Fund the costs and expenses in connection with R&D personnel as well as the continuing R&D activities of OT-401	197.57	12.00%	141.78	73.48	124.09	by the end of 2025
2. For milestone payments of OT-401	49.39	3.00%	15.49	33.90	15.49	by the end of 2022
3. For the commercialization of OT-401	246.96	15.00%	200.69	68.47	178.49	by the end of 2023
For the other drug candidates, including OT-101, OT-301, OT-1001, OT-502, OT-202, OT-503 and OT-701						
1. The continuing R&D activities of other drug candidates, including OT-101, OT-301, OT-1001, OT-502, OT-202, OT-503 and OT-701	562.42	34.16%	288.70	387.55	174.87	second half of 2023
2. For milestone payments of our other in-licensed drug candidates	96.15	5.84%	22.47	73.68	22.47	by the end of 2023
3. For the further expansion of our sales and marketing team	164.64	10.00%	118.37	68.47	96.17	by the end of 2023
For the acquisition of 100% equity interest in Suzhou Xiaxiang as disclosed in the Company's announcement dated September 11, 2020	**164.64**	**10.00%**	**–**	**164.64**	**–**	**–**
For our working capital and other general corporate purposes	**164.64**	**10.00%**	**26.17**	**164.64**	**–**	**–**
Total	**1,646.41**	**100.00%**	**813.67**	**1,034.83**	**611.58**	

Note: the sum of the data may not add up to the total due to rounding.

As of June 30, 2022, all the unused net proceeds from Listing were held by the Company in short-term deposits with licensed banks or authorized financial institutions.

Use of Proceeds from the Placing

On January 15, 2021, an aggregate of 28,000,000 placing Shares have been successfully placed by Morgan Stanley & Co. International plc to no less than six placees at the placing price of HK$28.35 per Share in accordance with the placing and subscription agreement, and the placing and subscription of Shares have been completed on January 15, 2021 and January 22, 2021, respectively. The net price per Share for the subscription after deducting related fees and expenses is approximately HK$27.92 per Share. The subscription of Shares have a market value of approximately HK$834.4 million based on the closing price of HK$29.80 per Share as of January 12, 2021 and an aggregate nominal value of US$280.

The net proceeds arising from the placing and subscription amounted to approximately HK$781.7 million, of which the intended use was set out in the announcement of the Company dated January 22, 2021. The placing and subscription was undertaken to strengthen the Group's financial position and for the long term funding of its business, expansion and growth plan. As of June 30, 2022, the net proceeds from placing and subscription were utilized as follows in accordance with the intended use:

Use of proceeds from placing and subscription	Amount of net proceeds for planned applications *(HK$ million)*	Percentage of total net proceeds *(%)*	Unutilized net proceeds as of December 31, 2021 *(HK$ million)*	Utilized net proceeds as of June 30, 2022 *(HK$ million)*	Unutilized net proceeds as of June 30, 2022 *(HK$ million)*	Expected time frame for unutilized amount
Expansion of the Company's commercial team in view of the proposed launch of its new therapies	**234.51**	**30%**	**234.51**	**–**	**234.51**	**by the end of 2025**
Funding of international multi-centre clinical trials of the Company's therapies	**273.60**	**35%**	**227.84**	**68.55**	**205.05**	**by the end of 2023**
OT-702 (Eylea biosimilar)	99.66	12.75%	53.90	68.55	31.11	by the end of 2023
OT-301 (NCX 470®)	50.03	6.40%	50.03	–	50.03	by the end of 2023
OT-101 (low-concentration atropine)	43.78	5.60%	43.78	–	43.78	by the end of 2024
OT-1001 (ZERVIATE®)	30.10	3.85%	30.10	–	30.10	by the end of 2022
OT-202 (TKI)	50.03	6.40%	50.03	–	50.03	by the end of 2023
Building and development of new manufacturing facilities and equipment of Suzhou Xiaxiang and active pharmaceutical ingredients manufacturing facilities	**195.43**	**25%**	**2.17**	**195.43**	**–**	**–**
Other general corporate purposes	**78.17**	**10%**	**78.17**	**4.11**	**74.06**	**by the end of 2023**
Total	**781.70**	**100%**	**542.69**	**268.09**	**513.62**	

Note: the sum of the data may not add up to the total due to rounding.

As of June 30, 2022, all the unused net proceeds from placing and subscription were deposited into the bank accounts maintained by our Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended June 30, 2022.

REVIEW OF THE UNAUDITED INTERIM RESULTS

The unaudited condensed consolidated interim financial statements of the Group for the six months ended June 30, 2022 have been reviewed by the Group's independent auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Ting Yuk Anthony WU, Mr. Yiran HUANG and Mr. Zhenyu ZHANG. The chairman of the Audit Committee is Mr. Ting Yuk Anthony WU. The Audit Committee has jointly reviewed with the management and the independent auditor of the Company the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the unaudited interim results of the Group for the six months ended June 30, 2022) of the Group. The Audit Committee considered the unaudited interim results of the Group for the six months ended June 30, 2022 are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

PUBLICATION OF THE 2022 CONDENSED CONSOLIDATED INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.ocumension.com). The interim report of the Company for the six months ended June 30, 2022 containing all the information in accordance with the requirements under the Listing Rules will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

APPRECIATION

We wish to express our sincere gratitude to our Shareholders and business partners for their continued support, and to our employees for their dedication and hard work.

"2021 Share Award Scheme"	the share award scheme adopted by the Company in accordance with the scheme rules thereof on July 2, 2021, the details of which are set out in the circular of the Company dated August 11, 2021
"2021 Share Option Scheme"	the share option scheme adopted by the Board in accordance with the rules thereof on July 2, 2021 and approved by the Shareholders on the extraordinary general meeting of the Company held on August 31, 2021, the details of which are set out in the circular of the Company dated August 11, 2021
"Alimera"	Alimera Sciences, Inc. a biopharmaceutical company organized and existing under the laws of the State of Delaware of the United States, whose shares of common stock are traded on the NASDAQ (ticker symbol: ALIM)
"AMD"	age-related macular degeneration, a disease that causes damage to the macula and leads to progressive loss of central vision
"Audit Committee"	the audit committee of the Board
"Board"	the board of directors of the Company
"CDE"	the Center for Drug Evaluation of NMPA (國家藥品監督管理局藥品審評中心), a division of the NMPA mainly responsible for review and approval of IND and NDA
"CG Code"	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
"China" or "the PRC"	the People's Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires, references in this announcement to "China" and the "PRC" do not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"chronic NIU-PS"	chronic non-infectious uveitis affecting the posterior segment of the eye
"Company"	Ocumension Therapeutics (歐康維視生物), a company incorporated under the laws of the Cayman Islands with limited liability on February 27, 2018, the Shares of which were listed on the Main Board of the Stock Exchange on July 10, 2020

"Coral Incentivization"	Coral Incentivization Limited, a business company incorporated in the British Virgin Islands with limited liability on March 31, 2020
"Core Product"	has the meaning ascribed to it under Chapter 18A of the Listing Rules; for the purpose of this announcement, our Core Product refers to OT-401 (fluocinolone intravitreal implant, trade name: YUTIQ®), the NDA for which has been approved by the CDE in June 2022. OT-401 are commercialized in the PRC under the trade name of Youshiying® (優施瑩®)
"COVID-19"	an infectious disease caused by the most recently discovered coronavirus (severe acute respiratory syndrome coronavirus 2), first reported in December 2019
"Director(s)"	the director(s) of our Company, including all executive directors, non-executive directors and independent non-executive directors
"DME"	diabetic macular edema
"EyePoint"	EyePoint Pharmaceuticals, Inc., a company whose shares of common stock are listed on the NASDAQ (ticker symbol: EYPT) and a biopharmaceutical company committed to developing and commercializing innovative ophthalmic products for the treatment of eye diseases
"FVTOCI"	fair value through other comprehensive income
"Greater China"	the PRC, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Group" or "Ocumension"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Huonland"	Beijing Huonland Pharmaceutical Co., Ltd. (北京匯恩蘭德製藥有限公司), a limited liability company established under the laws of the PRC on August 3, 2012 and one of our licensing partners. Huonland primarily engages in development, production and sales of ophthalmology products
"IFRS"	International Financial Reporting Standards
"IND"	investigational new drug, the application for which is the first step in the drug review process by regulatory authorities to decide whether to permit clinical trials. Also known as clinical trial application in China

"Listing"	the listing of our Shares on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"MAH"	marketing authorization holder, who is allowed to market a drug product within a certain region or country
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
"MRCT"	multi-regional clinical trial, a clinical trial that is conducted in different regions under a common trial design for simultaneous global new drug development
"NASDAQ"	The Nasdaq Stock Market LLC
"NDA"	new drug application, an application through which the drug sponsor formally proposes that the relevant regulatory authority approve a new drug for sales and marketing
"Nicox"	Nicox S.A., a corporation incorporated under the laws of France on February 15, 1996, one of our licensing partners whose shares are listed on the Euronext exchange (ticker symbol: COX)
"NMPA"	National Medical Products Administration, formerly the China Food and Drug Administration (國家食品藥品監督管理局), or CFDA
"NO"	nitric oxide, colorless gas and is one of the principal oxides of nitrogen
"pre-IND"	the stage before IND application
"RMB"	Renminbi Yuan, the lawful currency of China
"Reporting Period"	the period of the six months ended June 30, 2022
"RSU(s)"	the restricted share unit(s)
"R&D"	research and development
"Share(s)"	ordinary shares in the share capital of our Company of US$0.00001 each
"Shareholder(s)"	holder(s) of Shares

"Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Suzhou Xiaxiang"	Suzhou Xiaxiang Biomedicine Co., Ltd. (蘇州夏翔生物醫藥有限公司), a limited liability company established in the PRC on October 18, 2019
"United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$"	United States dollars, the lawful currency of the United States
"Viatris"	Viatris Inc., a corporation incorporated and existing under the laws of the Delaware, the United States, whose shares of common stock are traded on the NASDAQ (ticker symbol: VTRS), with the business address at 1000 Mylan Boulevard, Canonsburg, PA 15317, and its affiliates, including, among others, Viatris China, collectively, and where the context requires, either of Viatris Inc. or its affiliate(s)
"Viatris China"	Viatris Pharmaceuticals Co., Ltd. (暉致醫藥有限公司), an affiliate of Viatris and a company established under the laws of the PRC and located in Shanghai, the PRC, which is primarily engaged in the wholesale, import and licensing of drugs
"wAMD"	wet age-related macular degeneration
"Written Guidelines"	the Guidelines for Securities Transactions by Directors adopted by the Company
"%"	Per cent

By order of the Board
Ocumension Therapeutics
Dr. Lian Yong CHEN
Chairman and Non-Executive Director

Hong Kong, August 26, 2022

As of the date of this announcement, the Board comprises Mr. Ye LIU and Dr. Zhaopeng HU as executive Directors, Dr. Lian Yong CHEN, Dr. Wei LI, Mr. Yanling CAO and Ms. Yumeng WANG as non-executive Directors, and Mr. Ting Yuk Anthony WU, Mr. Yiran HUANG and Mr. Zhenyu ZHANG as independent non-executive Directors.